

Top Ten Reasons Why Business Owners Should Care About Trademarks



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Trademarks:

- are encountered by everyone
- influence consumers and help products or services stand out
- create a brand identity for the business

Summary of Top Ten Reasons to Care about Trademarks

1. Trademarks resonate with consumers.
2. Trademarks minimize marketplace confusion and differentiate products.
3. Trademarks are economically efficient communication tools.
4. Trademarks transcend language and borders.
5. Trademark registration is a bargain.

Summary of Top Ten Reasons to Care about Trademarks

6. Registering trademarks maximizes protection.
7. Trademarks endure and add value if properly maintained.
8. Trademarks can be flexible and creative.
9. Trademarks are a gateway to the Internet.
10. Trademarks are effective weapons to combat unfair competition.

1. Trademarks resonate with consumers.

- Trademarks:
 - capture the consumer's attention
 - help products / services stand out
 - create an approachable brand image for a company or product

2. Trademarks minimize marketplace confusion and differentiate products.

- Trademarks help consumers by:
 - minimizing confusion;
 - facilitating choices among brands based on firsthand experience or recommendations;
 - identifying the source of high quality or defective products; and
 - identifying a consistent level of quality.

2. Trademarks minimize marketplace confusion and differentiate products. (*cont'd*)

- A trademark may enable consumers to differentiate among goods and services that may otherwise be difficult to distinguish (e.g., TEFLON for non-stick coating).
- Branding may be the critical factor in driving a consumer's purchasing decision.
- Consumers may be willing to pay more for goods and services associated with well-known brands.

3. Trademarks are economically efficient communication tools.

- A single word or phrase, a design, a slogan, a product configuration, or other indicator can convey a lot of information when used as a mark.



JUST DO IT.



3. Trademarks are economically efficient communication tools. (*cont'd*)

- Trademarks embody intellectual and emotional attributes and messages about:
 - the source of the product;
 - reputation for quality;
 - types of products and services; and
 - consumers' lifestyles, aspirations, and desires.

4. Trademarks transcend language and borders.

- Trademarks can work effectively across borders, cultures, and languages.
 - Famous marks are recognizable even by consumers who have a different language and alphabet than the source company.



5. Trademark registration is a bargain.

- Costs of government fees and legal services to obtain and maintain trademarks are:
 - relatively low compared to other types of Intellectual Property;
 - typically dwarfed by advertising costs; and
 - extraordinarily low per consumer reached.

5. Trademark registration is a bargain. (*cont'd*)

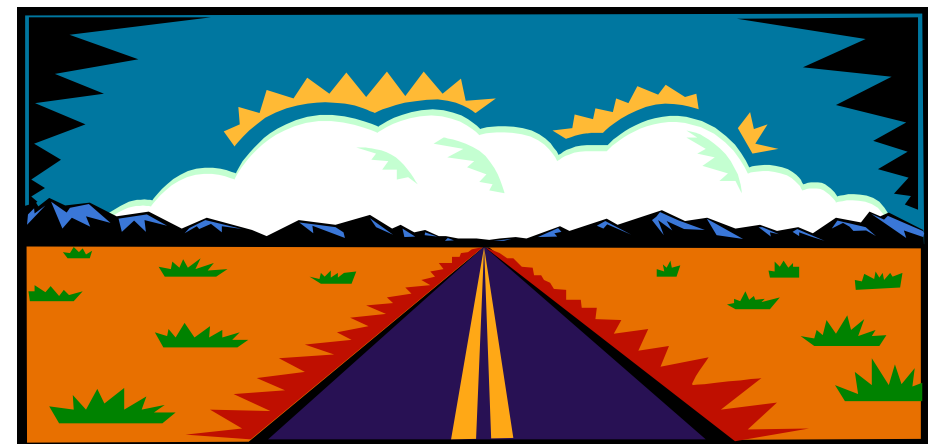
- Trademarks are property that can be:
 - bought and sold (assigned);
 - pledged (as a security interest); and/or
 - licensed, e.g.,
 - merchandising,
 - endorsements and sponsorships,
 - co-branding promotions, sweepstakes, and contests.

6. Registering trademarks maximizes protection.

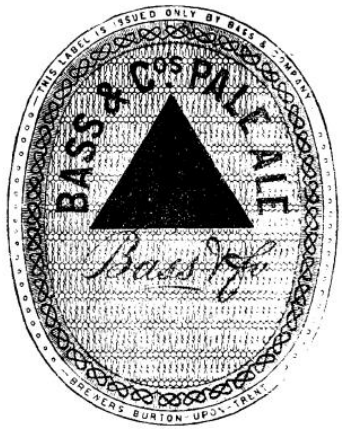
- Registration provides various benefits.
 - Registrations confer protection across entire region or country, not just in geographic area of actual use.
 - All countries recognize registrations; not all countries recognize common law rights.
 - In many countries, the first to register a mark enjoys superior rights over all others.
 - Registration may be mandatory for certain goods/services in certain countries (e.g., tobacco in China).
 - Obtaining a registration in one country may assist in obtaining registrations in other countries (e.g., Paris Convention).

7. Trademarks endure and add value if properly maintained.

- Trademarks provide long-term competitive advantages and may appreciate in value.
- Trademarks have a potentially infinite lifespan if used and if registrations are renewed.
- Trademarks can evolve to stay current.



7. Trademarks endure and add value if properly maintained. (cont'd)



Examples of long-enduring registrations:

- BASS triangle logo (1876)(UK)
- QUAKER (1895)(US)
- PEPSI (1902)(US)

QUAKER



7. Trademarks endure and add value if properly maintained. (*cont'd*)

- Trademarks can be leveraged to provide value beyond a core business and can pave the way for expansion or acquisition.
 - VIRGIN – expanded from “sound records” to include “air travel services”
 - ARMANI – expanded from “runway apparel” to include “perfumes and eyewear”



8. Trademarks can be flexible and creative.

Practically anything perceivable by the human senses can operate as a trademark:

– words, symbols, devices, designs, shapes, sounds, colors, scents, tastes, and touch.

8. Trademarks can be flexible and creative. *(cont'd)*

- **Visual**
 - *Slogans*
 - *Alpha-numeric*
 - *Words of any language*
 - *Characters of any alphabet*
 - *Location of mark on product*
 - *Logos and designs*
 - *Shapes*
 - *Colors*
 - *3D objects*
- **Motion**
 - 20th Century Fox logo viewed through camera moving around the structure (US Reg. No. 1,928,424).
- **Auditory**
 - *Music*
 - Intel 5-note progression (U.S. Reg. No. 2315261).
 - *Sounds*
 - “Belling of a deer” (CTM Registration No. 4928371).
 - *Voices*
 - AOL’s “You’ve Got Mail” (U.S. Reg. No. 2821863).
- **Olfactory**
 - A floral fragrance “reminiscent of roses” for tires (GB 2001416).
- **Tactile**
 - German Reg. No. 30259811 in Braille.

9. Trademarks are a gateway to the Internet.

- Brand names are often the “top-of-mind” address and search term for an Internet user investigating a company and its products.
 - *www.microsoft.com*
 - *www.cocacola.com, www.dietcoke.com; www.sprite.com*
 - *www.disney.com*
- The same brand appeal driving repeat purchases in the bricks-and-mortar world also drives visitors to a website.
- Higher website traffic translates into higher rankings on search engine results, bringing even more traffic.

9. Trademarks are a gateway to the Internet. (*cont'd*)

- Consider obtaining related domain names at the same time a new mark is adopted.
- Only one domain name consisting of the exact trademark can be registered in each top-level domain (.com, .net, etc.).
- Ownership of trademarks may allow you to register a domain name in a new top-level domain before the general public.

9. Trademarks are a gateway to the Internet. *(cont'd)*

- While the Internet is a great forum for highlighting your brand, it also provides a forum for infringements and other unauthorized use of your marks.
- Vigilance is required to police proper use of your marks and potential infringements.
- Areas requiring vigilance:
 - Domain names;
 - Social media pages and user names;
 - META tags;
 - Embedded or hidden text;
 - Keyword advertising; and
 - Counterfeit and gray market goods.
- Owning a trademark registration can help your enforcement efforts.

10. Trademarks are effective weapons to combat unfair competition.

- In most countries, trademark statutes include prohibitions against deceptive and misleading advertising.
- Trademarks can be an effective tool to combat unfair competition in conjunction with consumer protection laws and unfair competition laws.

10. Trademarks are effective weapons to combat unfair competition. *(cont'd)*

- Courts, administrative agencies, and juries are familiar with trademarks.
- Trademarks are relatively easy to explain and understand.
- Courts are more inclined to grant remedies when unfair competition is present.

INTA Trademark Resources

- The INTA website (www.inta.org) is a powerful portal filled with information about trademarks and trademark protection.
- Many portions of the INTA website are accessible to non-members.
- See, e.g., Trademark Basics and Trademark Basics: A Guide for Business.